

VIRGINIA:

#### BEFORE THE VIRGINIA GAS AND OIL BOARD

IN RE:

SUPPLEMENTAL ORDER REGARDING DOCKET NUMBER VGOB 01-0515-0893

ELECTIONS: UNIT DD-3 (herein "Subject Drilling Unit")

### REPORT OF BOARD

### **FINDINGS AND ORDER**

This Supplemental Order is entered by the Board *sua sponte* in the form authorized by the Board at hearings held on February 15, 1994 and June 16, 1992; and this Supplemental Order is being recorded for the purpose of supplementing the Order previously in the captioned matter on August 30, 2001 which was recorded at Deed Book 529, Page 830 in the Office of the Clerk of the Circuit Court of Buchanan County, Virginia, on September 5, 2001, (herein "Board Order") and completing the record regarding elections.

Findings: The Board finds that:

The Board Order directed Consol Energy Inc. (herein "Designated Operator") to mail copies of the Board Order to all Respondents whose interests, if any, were pooled by the said Board Order;

The Designated Operator filed its affidavit of elections disclosing that it had mailed a true and correct copy of the Board's Order to all Respondents whose interests, if any, were pooled by said Board Order;

The Board Order required each Respondent whose interests, if any, were pooled by the terms of said Board Order to make an election within thirty (30) days after the date of mailing or recording, as applicable, of said Order; the affidavit of elections filed herein and annexed hereto as Exhibit A states: (i) whether each Respondent has made or failed to make a timely election; (ii) the nature of any election(s) made; and (iii) whether, by reason of a failure to elect or to timely elect one or more Respondents are deemed, under the terms of the Board's Order, to have leased all their rights, title, interests, estates and claims in Subject Drilling Unit to the Applicant;

That the affidavit of elections annexed hereto with the Exhibits submitted therewith identifies the Respondent(s) making a timely election, if any; identifies the Respondent(s), if any, who are deemed to have leased; identifies the conflicting interests and claims which require escrow; identifies the interests and claims, if any, requiring escrow under Virginia Code section 45.1-361.21.D.; and identifies the Respondents, if any, who may be dismissed by reason of having leased or entered into a voluntary agreement with the Applicant.

The affidavit of elections indicates that the escrow of funds is required with regard to Unit DD-3;

Order: By this Order, the Board orders the Designated Operator to tender, consistent with and in accordance with the findings set forth at paragraph 2. above and the annexed affidavit of elections with Exhibits thereto, any funds subject to escrow and instructs the Escrow Agent, First Union National Bank, Corporate Trust PA1328,123 Broad Street, Philadelphia, PA 19109-1199, Telephone: (215) 985-3485 or (800) 664-9359, Attn: Don Ballinghoff, or any successor named by the Board to establish interest bearing escrow account(s), IRS Tax Identification Number 54-1629506, in accordance with the information set forth in the affidavit of elections with Exhibits thereto, to receive funds and account to the Board therefore. The respondents listed in Exhibit B-2 to the Affidavit of Elections are dismissed.

ENTERED

Mailing of Order and Filing of Affidavit: The Designated Operator under the captioned Order or shall file an affidavit with the Secretary of the Board within ten (10) days after the date of receipt of this Order stating that a true and correct copy of this Order was mailed to each Respondent whose interests or claims are subject to escrow or who is hereby dismissed and whose address is known within seven seven (7) days from the date of receipt of this Order.

<u>Conclusion:</u> Therefore, the findings and all terms and provisions set forth above be and hereby are granted and IT IS SO ORDERED.

DONE AND EXECUTED this 8th day of 10ventu, 2001, by a majority of the Virginia Gas and Oil Board.

Effective Date: This Order shall be effective on the date of its execution.

Chairman, Benny R. Wampler

STATE OF VIRGINIA COUNTY OF WISE

Acknowledged on this Law of Low Low 2001, personally before me a notary public in and for the Commonwealth of Virginia, appeared Benny R. Wampler, being duly sworn did depose and say that he is Chairman of the Virginia Gas and Oil Board, that he executed the same and was authorized to do so.

Susan G. Garrett
Notary

My commission expires: 2/31/02

DONE AND PERFORMED THIS 13th day of Mounte, 2001, by Order of the Board.

Director of the Division of Gas & Oil Board and Principal Executive to the Board

STATE OF VIRGINIA COUNTY OF WASHINGTON

Acknowledged on this <u>B</u> day of <u>November</u>2001, personally before me a notary public in and for the Commonwealth of Virginia, appeared B. R. Wilson, being duly sworn did depose and say that he is Director of the Division of Gas & Oil Board and Principal Executive to the Board, that he executed the same and was authorized to do so.

My commission expires: 9/30/2005

Order Recorded Under Code of Virginia Section 45.1-361.26 VIRGINIA:

#### Exhibit A

#### BEFORE THE VIRGINIA GAS AND OIL BOARD

IN RE:

Application of Buchanan Production Company for Forced Pooling of Interests in CBM Unit DD-3 VGOB 01-0515-0893 in the Hurricane District of Buchanan County, Virginia

AFFIDAVIT OF Consol Energy Inc. (herein "Designated Operator") REGARDING ELECTIONS, ESCROW AND SUPPLEMENTAL ORDER

Leslie K. Arrington, being first duly sworn on oath, deposes and says:

That your affiant is employed by Consol Energy Inc., as a Gas Engineer and is duly authorized to make this affidavit on behalf of Consol Energy Inc., the designated operator,

That the Order entered on August 30, 2001, by the Virginia Gas and Oil Board (hereinafter "Board") regarding the captioned CBM Unit required the Applicant to mail a true and correct copy of said Order to each person pooled by the Order;

That within seven (7) days of receipt of an executed copy of the Order referred to at paragraph 2. above, your affiant caused a true and correct copy of said Order to be mailed via the United States Postal Service to each Respondent named in the captioned Application, whose address was known, and to all persons, if any, who were added as Respondents at the hearing held in the captioned matter; that proof of such mailing has previously been tendered to the Division of Gas and Oil, the Office of the Gas and Oil Inspector, at Abingdon, Virginia;

That the Order of the Board in the captioned matter required all persons pooled thereby to tender their written elections to the Unit Operator within thirty (30) days of the date the Order was recorded in the county identified above; that said Order was recorded on September 5, 2001;

That the designated operator Consol Energy Inc. has established procedures to review all mail received and all written documents received other than by mail to ascertain whether parties whose interests have been pooled have made a written election, in a timely fashion, as required by the captioned Order; that said procedures were followed to identify the elections, if any, made with regard to the Subject Unit; that the following persons delivered, by mail or otherwise, written elections the Unit Operator, within the thirty day elections period:

Jack Fletcher, et ux. (See attached Exhibit B-4)

That Respondents identified in Exhibit B-3 hereto are, having failed to make any election, deemed to have leased their coalbed methane rights, interests and claims to Applicant, all as provided in the Board's Order of July 27, 2001:

See attached Exhibit B-3

That the rights, interests and claims of the following persons are subject to escrow under the Board's Order pooling the captioned Unit, Board Regulations and the Code of Virginia:

See attached Exhibit E

That after the pooling hearing held in the captioned matter, the following persons have leased or entered into a voluntary agreement with the Designated Operator:

None

That to the extent any of said persons listed in Exhibit B-2 have rights, interests and claims which are not subject to escrow, they should be dismissed and/or added respondents; the Operator requests that the following persons be dismissed / added as Respondents:

None

That the persons identified in Exhibit EE attached hereto have entered into royalty split agreements that allow the Applicant/Designated Operator to pay them directly without the need to escrow funds which would otherwise be in conflict.

None

That pursuant to the provisions of VAC 25-160-70.A.10. and C. and VAC 25-160-80 the annexed supplemental order sets forth the interests and claims that require escrow of funds pursuant to Virginia Code sections 45.1-361.21.D. and 45.1-361.22.A.3. and 4.

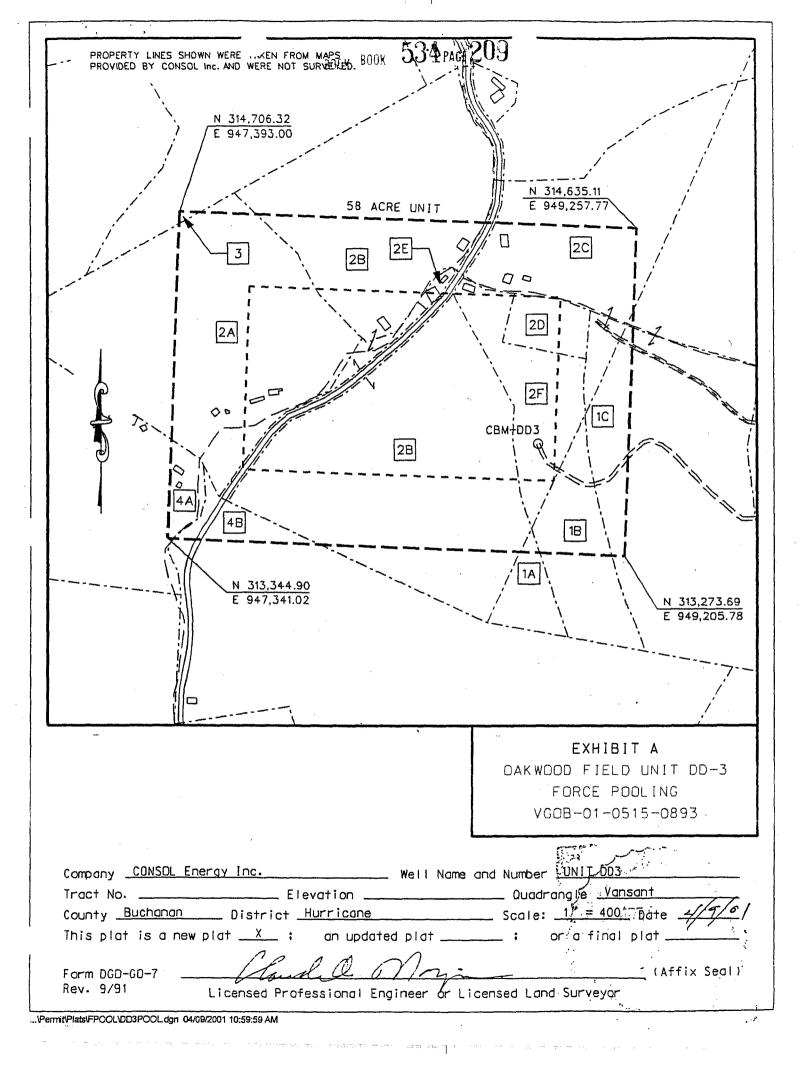
Dated at Tazewell, Virginia, this 29th day of October, 2001.

Reslick. Quing for Leslie K. Arrington

Taken, subscribed and sworn to before me by Leslie K. Arrington as Gas Engineer of Consol Energy Inc., on behalf of the corporate Designated Operator, this 3th day of October, 2001.

Rhonda L Century to-

My commission expires:  $\frac{10}{31}$ 



# CONSOL ENERGY INC.

### UNIT DD-3

#### **Tract Identifications**

- Landon Wyatt, Jr., et al. (Big Axe) Tr. 16-2 Coal, Oil & Gas Coal Lessee
   Jewell Smokeless Coal Corp. Tiller and Above Coal Leased Buchanan Production Co. CBM Leased Buchanan Production Co. Oil & Gas Leased 4.87 acres 8.3966 %
- 1A. Emily Woosley Surface
- 1B. Anna Ruth Powers Surface
- 1C. Fonnie Vandyke Surface
- Landon Wyatt, Jr., et al. (Big Axe) Tr. 16-1 Coal, Oil & Gas Coal Lessee
   Jewell Smokeless Coal Corp. Tiller and Above Coal Leased Buchanan Production Co. CBM Leased Buchanan Production Co. Oil & Gas Leased 50.80 acres
   87.5862 %
- 2A. Unknown Surface Owner
- 2B. Emily Woosley Surface
- 2C. Fonnie Vandyke Surface
- 2D. Woodrow Powers, Jr. Surface
- 2E. United Methodist Church Surface
- 2F. Anna Ruth Powers Surface
- Levisa Coal Corporation Tr. 59 Coal
   Coal Lessee
   Jewell Smokeless Coal Corp. Tiller and Above Coal Leased
   John W. Pobst, Jr., et al. Oil & Gas
   Buchanan Production Co. CBM Leased
   Buchanan Production Co. Oil & Gas Leased
   James M. Nuckles Surface
   0.04 acres
   0.0690 %
- 4A. Pegasus Resource Company Coal
  Equitable Resources Energy Company CBM (Coal Only ) Leased
  Eldon J. Farmer, et ux. Surface, Oil & Gas
  1.02 acres 1.7586 %
- 4B. Pegasus Resource Company Coal
  Equitable Resources Energy Company CBM (Coal Only ) Leased
  Roby Fletcher Heirs Surface, Oil & Gas
  1.27 acres
  2.1896 %

### Exhibit B-4 Unit DD-3

# VGOB 01-0515-0893

# List of Unleased Owners/Claimants that made an election

-,4	1		Acres in Unit	of Unit
II.	OIL 8	GAS FEE OWNERSHIP		
	Tract	#4B - 1.27 acres		
	(1)	Roby Fletcher Heirs, Devisees, Successors or Assigns	1.27 acres	2.18966%
	<b>(i</b> )	Jack & Elizabeth Fletcher 13301 Powderham Lane Midlothian, VA 23113	0.1270 acres 1/10 of 1.27 acres	0.21897%

BODY 534 PAGE 212

# Exhibit B-3 UNIT DD-3 VGOB 01-0515-0893

#### VGOB 01-0515-0893 List of Unleased Owners/Claimants

			Acre	s in Unit	Percent of Unit
i.	COAL	FEE OWNERSHIP			
	Tract	#4A - 1.02 acres			
	(1)	Pegasus Resource Company * Attn: Tax Department P.O. Box 4000 Lebanon, VA 24266	1.02	acres	1.759%
	Tract	#4B - 1.27 acres			
	(1)	Pegasus Resource Company * Attn: Tax Department P.O. Box 4000 Lebanon, VA 24266	1.27	acres	2.190%
II.	OIL 8	GAS FEE OWNERSHIP			
	Tract	#4A - 1.02 acres			
	(1)	Eldon J. Farmer, et ux. 8245 Old Steelhouse Road Rixeyville, VA 22737	1.02	acres	1.75862%
	Tract	#4B - 1.27 acres			
	(1)	Roby Fletcher Heirs, Devisees, Successors or Assigns	1.27	acres	2.18966%
	<b>(a</b> )	Grace Fletcher 10809 Lucasville Road Manassas, VA 22110	0.1270 1/10	acres of 1.27 acres	0.21897%
	(b)	Tommy Fletcher, et ux. 7213 Constantine Avenue Springfield, VA 22150	0.1270 1/10	acres of 1.27 acres	0.21897%
	(c)	) Clair Fletcher 10809 Lucasville Road Manassas, VA 22110		acres of 1.27 acres	0.21897%
	(d)	Donald D. Fletcher, et ux. 11726 Lucasville Road Manassas, VA 22110	0.1270 1/10	acres of 1.27 acres	0.21897%
	<b>(e</b> )	Helen Blanche Boyd, et vir. Rt.1 Box 250A Bluefield, VA 24605	0.1270 1/10	acres of 1.27 acres	0.21897%
	( <b>f</b> )	Emily Wood, et vir. 7905 Carrie Lane Manassas, VA 22111	0.1270 1/10	acres of 1.27 acres	0.21897%
	(g)	Jessie Roy Fletcher, et ux. 12315 Isaac Walton Road Bristol, VA 20136	0.1270 1/10	acres of 1.27 acres	0.21897%

### Exhibit B-3 800% UNIT DD-3 VGOB 01-0515-0893 List of Unleased Owners/Claimants

	Acres in Unit	Percent of Unit
(h) Faye Kinsey, et vir.	0.1270 acres	0.21897%
7907 Carrie Lane	1/10 of 1.27 acres	
Manassas, VA 22111		
(i) Harless E. Fletcher	0.1270 acres	0.21897%
5617 Tremont Drive	1/10 of 1.27 acres	
Alexandria, VA 22303		
(j) Jack & Elizabeth Fletcher	0.1270 acres	0.21897%
13301 Powderham Lane	1/10 of 1.27 acres	
Midlothian, VA 23113		

<sup>\*</sup> The CBM (Coal only) is leased by Equitable Resources Energy Company.

 $_{\text{BOOX}} \hspace{0.1cm} 534_{\text{PAGE}} 214$ 

# Exhibit E Unit DD-3 VGOB 01-0515-0893

# List of Conflicting Owners/Claimants that require escrow

		Acres in Unit	Percent of Unit
Tract #4A - 1	.02 acres		
COAL	FEE OWNERSHIP		
(1)	Pegasus Resource Company * Attn: Tax Department P.O. Box 4000 Lebanon, VA 24266	1.02 acres	1.759%
OIL &	GAS FEE OWNERSHIP		
(1)	Eldon J. Farmer, et ux. 8245 Old Steelhouse Road Rixeyville, VA 22737	1.02 acres	1.75862%
<u>Tract #4B - 1</u>	.27 acres		
COAL	FEE OWNERSHIP		
(1)	Pegasus Resource Company * Attn: Tax Department P.O. Box 4000 Lebanon, VA 24266	1.27 acres	2.190%
OIL 8	GAS FEE OWNERSHIP		
(1)	Roby Fletcher Heirs, Devisees, Successors or Assigns	1.27 acres	2.18966%
(a)	Grace Fletcher 10809 Lucasville Road Manassas, VA 22110	0.1270 acres 1/10 of 1.27 acres	0.21897%
(b)	Tommy Fletcher, et ux. 7213 Constantine Avenue Springfield, VA 22150	0.1270 acres 1/10 of 1.27 acres	0.21897%
(c)	Clair Fletcher 10809 Lucasville Road Manassas, VA 22110	0.1270 acres 1/10 of 1.27 acres	0.21897%
(d)	Donald D. Fletcher, et ux. 11726 Lucasville Road Manassas, VA 22110	0.1270 acres 1/10 of 1.27 acres	0.21897%
(e)	Helen Blanche Boyd, et vir. Rt.1 Box 250A Bluefield, VA 24605	0.1270 acres 1/10 of 1.27 acres	0.21897%
<b>(f)</b>	Emily Wood, et vir. 7905 Carrie Lane Manassas, VA 22111	0.1270 acres 1/10 of 1.27 acres	0.21897%
(g)	Jessie Roy Fletcher, et ux. 12315 Isaac Walton Road Bristol, VA 20136	0.1270 acres 1/10 of 1.27 acres	0.21897%

## Exhibit E Unit DD-3

#### VGOB 01-0515-0893

# List of Conflicting Owners/Claimants that require escrow

	Acres in Unit	Percent of Unit
<ul><li>(h) Faye Kinsey, et vir.</li><li>7907 Carrie Lane</li><li>Manassas, VA 22111</li></ul>	0.1270 acres 1/10 of 1.27 acres	0.21897%
(i) Harless E. Fletcher 5617 Tremont Drive Alexandria, VA 22303	0.1270 acres 1/10 of 1.27 acres	0.21897%
<ul><li>(j) Jack &amp; Elizabeth Fletcher</li><li>13301 Powderham Lane</li><li>Midlothian, VA 23113</li></ul>	0.1270 acres 1/10 of 1.27 acres	0.21897%

<sup>\*</sup> The CBM (Coal only) is leased by Equitable Resources Energy Company.

VIRGINIA: In the Clerk's Office of the Arcuit Court of Buchanan County. The foregoing instrument was this day presented in the first aforesaid and is, together with the certificate of acknowledgment annexed, admitted to record this day of d

7

RECORDED IN THE CLERK'S OFFICE OF NOVEMBER 14, 2001 AT 02:51PM